SUN MICROSYSTEMS, INC.

Form 4

November 27, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

SECURITIES

OMB Number:

3235-0287

0.5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

January 31, Expires: 2005

OMB APPROVAL

Estimated average burden hours per

response...

if no longer subject to Section 16. Form 4 or

Check this box

Form 5 obligations may continue.

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * MCCABE EUGENE G

(Middle)

(Zip)

2. Issuer Name and Ticker or Trading Symbol

SUN MICROSYSTEMS, INC.

[SUNW]

(Last) (First)

4150 NETWORK CIRCLE

3. Date of Earliest Transaction

(Month/Day/Year) 11/24/2006

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

3.

5. Relationship of Reporting Person(s) to

Issuer

below)

(Check all applicable)

Director 10% Owner X_ Officer (give title Other (specify

below) EVP, World Wide Operations

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

SANTA CLARA, CA 95054

(State)

1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3) (Month/Day/Year)

Transaction(A) or Disposed of Code (D) (Instr. 8) (Instr. 3, 4 and 5)

Transaction(s)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

4. Securities Acquired 5. Amount of Securities Beneficially Owned Following Reported

(Instr. 3 and 4)

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect (I) (Instr. 4)

Beneficial Ownership (Instr. 4)

(A) or

Code V Amount (D) Price

Common Stock

(City)

11/24/2006

S 4,692

 $82,750 \frac{(1)}{}$

D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Edgar Filing: SUN MICROSYSTEMS, INC. - Form 4

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transact Code (Instr. 8))	of Deri Secu Acq (A) Disp of (I (Inst	ivative urities uired or oosed	6. Date Exercisable and Expiration Date (Month/Day/Year)			7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	7	(A)	(D)	Date Exerci	isable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy) (2)	\$ 28.0782							<u>(</u>	(3)	11/10/2007	Common Stock	240,000
Employee Stock Option (Right to Buy) (2)	\$ 40							<u>(</u>	(3)	04/12/2008	Common Stock	26,000
Employee Stock Option (Right to Buy) (2)	\$ 50.9375							<u>(</u>	(3)	10/11/2008	Common Stock	40,000
Employee Stock Option (Right to Buy) (2)	\$ 18.58							<u>(</u>	(3)	04/18/2009	Common Stock	18,000
Employee Stock Option (Right to Buy) (2)	\$ 16.25							<u>(</u>	(3)	06/13/2009	Common Stock	102,000
Employee Stock Option (Right to Buy) (2)	\$ 7.91							<u>(</u>	(3)	09/27/2009	Common Stock	18,000
Employee Stock Option (Right to Buy) (2)	\$ 12.59							<u>(</u>	(3)	11/07/2009	Common Stock	25,000

8. F

Sec (Ins

Edgar Filing: SUN MICROSYSTEMS, INC. - Form 4

Employee Stock Option (Right to Buy) (2)	\$ 12.59	(3)	11/07/2009	Common Stock	25,000
Employee Stock Option (Right to Buy) (2)	\$ 9.14	(3)	03/19/2010	Common Stock	200
Employee Stock Option (Right to Buy) (2)	\$ 9.14	(3)	03/19/2010	Common Stock	18,000
Employee Stock Option (Right to Buy) (2)	\$ 7.07	(3)	05/14/2010	Common Stock	20,000
Employee Stock Option (Right to Buy) (2)	\$ 3.7	<u>(4)</u>	07/25/2010	Common Stock	70,000
Employee Stock Option (Right to Buy) (2)	\$ 3.9	<u>(5)</u>	01/14/2013	Common Stock	100,000
Employee Stock Option (Right to Buy) (2)	\$ 3.85	<u>(6)</u>	07/23/2013	Common Stock	360,000
Employee Stock Option (Right to Buy) (2)	\$ 3.79	<u>(7)</u>	07/29/2012	Common Stock	250,000
Employee Stock Option (Right to Buy) (2)	\$ 3.44	(8)	04/28/2013	Common Stock	250,000
	\$ 3.85	<u>(9)</u>	07/28/2013		300,000

Edgar Filing: SUN MICROSYSTEMS, INC. - Form 4

Employee Common Stock Stock

Option (Right to Buy) (2)

Employee Stock

Option \$ 4.26 \(\frac{(10)}{Stock} \) \(\frac{07/27/2014}{Stock} \) \(\frac{Common}{Stock} \) \(\frac{400,000}{Stock} \)

(Right to Buy) (2)

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

MCCABE EUGENE G 4150 NETWORK CIRCLE SANTA CLARA, CA 95054

EVP, World Wide Operations

Signatures

/s/ Eugene G. McCabe 11/27/2006

**Signature of Date
Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This includes 82,750 shares of unvested restricted stock.
- (2) This option was granted under the Sun Microsystems, Inc. 1990 Long-Term Equity Incentive Plan.
- (3) Immediately.
- (4) This option vests and becomes exercisable in five equal annual installments of 14,000 shares beginning on July 25, 2003.
- (5) This option vests and becomes exercisable in five equal annual installments of 20,000 shares beginning on January 14, 2004.
- (6) This option vests and becomes exercisable in five equal annual installments of 72,000 shares beginning on July 23, 2004.
- (7) This option vests and becomes exercisable in five equal annual installments of 50,000 shares beginning on July 29, 2005.
- (8) This option vests and becomes exercisable in five equal annual installments of 50,000 shares beginning on April 28, 2006.
- (9) This option vests and becomes exercisable in five equal annual installments of 60,000 shares beginning on July 28, 2006.
- (10) This option vests and becomes exercisable in five equal annual installments of 80,000 shares beginning on July 27, 2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Reporting Owners 4